

**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

DOCKET NO. 2015-7-G

In the Matter Of)	
)	
Application of Piedmont Natural Gas)	COMMENTS OF
Company, Inc. to Have Terms of the)	PIEDMONT NATURAL GAS
Natural Gas Rate Stabilization Act Apply)	COMPANY, INC.
to Its Rates and Charges for Gas)	
Distribution Services)	

Piedmont Natural Gas Company, Inc. (“Piedmont”), pursuant to Section 58-5-455(4) of the S.C. Code of Laws, hereby submits the following written comments on the *Report of South Carolina Office of Regulatory Staff’s Examination of Piedmont Natural Gas Company’s Monitoring Report* (“Report”) prepared and filed in this proceeding by the Office of Regulatory Staff (“ORS”) on September 1, 2015.

Piedmont has carefully reviewed the September 1, 2015 Report and the proposed adjustments to Piedmont’s March 31, 2015 Quarterly Monitoring Report contained therein and consistent with the Settlement Agreement filed in this docket on September 1, 2015, Piedmont hereby advises the Commission that Piedmont has no objection to or comments on the findings and adjustments reflected in the Report. Piedmont further confirms its agreement, as part of an overall settlement with the ORS, to implement rates beginning with the first billing cycle for November, 2015 based upon the Report results and a return on equity of 10.2% in lieu of the existing approved rate of return on equity adopted in Piedmont’s last general rate case.

Revised rates and charges incorporating the Report adjustments and reflecting a rate of return on equity of 10.2% are attached hereto as Exhibits A and B.

Respectfully submitted this 15th day of September, 2015.

PIEDMONT NATURAL GAS COMPANY, INC.

/s/ Scott M. Tyler
Scott M. Tyler
James H. Jeffries IV

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EXHIBIT A

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2015

PROPOSED REVENUE CALCULATIONS

(dekatherms)	Test Period Actual	Normalized Adjustment	Conservation Adjustment	Proforma Dekatherms	Proforma Bills	Proposed Margin Rate	Proposed Demand Rate	Proposed Commodity Rate	Total Proposed Rates	Total Proforma Revenue
Rate Schedule	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Residential Service - Value 201										
Bills - Winter	213,870				213,870	\$ 10.00			\$ 10.00	\$2,138,700
Bills - Summer	293,839				293,839	\$ 8.00			\$ 8.00	\$2,350,712
DTs - Winter	2,481,277	(86,702)	(41,905)	2,352,670		\$3.6736	\$1.2534	\$2.0354	\$6.9624	\$16,380,229
DTs - Summer	898,653	(72,082)	(14,465)	812,106		\$3.2465	\$1.2534	\$2.0354	\$6.5353	\$5,307,356
Residential Service - Standard 221										
Bills - Winter	407,443				407,443	\$ 10.00			\$ 10.00	\$4,074,430
Bills - Summer	560,596				560,596	\$ 8.00			\$ 8.00	\$4,484,768
DTs - Winter	3,640,636	(142,904)	(61,210)	3,436,522		\$3.6736	\$1.6960	\$2.0354	\$7.4050	\$25,447,443
DTs - Summer	881,671	(122,065)	(13,293)	746,313		\$3.2465	\$1.8196	\$2.0354	\$7.1015	\$5,299,941
TOTAL RESIDENTIAL										
Bills	1,475,748				1,475,748					
DTs	7,902,237	(423,753)	(130,873)	7,347,611						\$65,483,579
Small General Service - Standard 202										
Bills	114,536				114,536	\$ 22.00			\$ 22.00	\$2,519,792
DTs - Winter	1,736,550	(57,082)	(29,391)	1,650,077		\$3.0069	\$1.6656	\$2.0354	\$6.7079	\$11,068,554
DTs - Summer	381,233	(79,760)	(5,276)	296,197		\$2.8992	\$1.6163	\$2.0354	\$6.5509	\$1,940,358
Small General Service - Value 232										
Bills	54,126				54,126	\$ 22.00			\$ 22.00	\$1,190,772
First 200	1,202,127	(9,114)	(20,878)	1,172,135		\$3.0069	\$1.5118	\$2.0354	\$6.5541	\$7,682,292
Over 200	335,237	(2,542)	(5,822)	326,873		\$3.0069	\$1.4518	\$2.0354	\$6.4941	\$2,122,745
DTs - Winter	1,537,364	(11,656)	(26,700)	1,499,008						
First 200	1,128,386	(28,162)	(19,254)	1,080,970		\$2.8992	\$1.3272	\$2.0354	\$6.2618	\$6,768,818
Over 200	158,572	(3,958)	(2,706)	151,908		\$2.8992	\$1.2674	\$2.0354	\$6.2020	\$942,135
DTs - Summer	1,286,958	(32,120)	(21,960)	1,232,878						
Medium General Service - Standard 252										
Bills	118				118	\$ 75.00			\$ 75.00	\$8,850
DTs - Winter	76,591	(3,196)	(1,284)	72,111		\$3.0069	\$0.9641	\$2.0354	\$6.0064	\$433,125
DTs - Summer	23,619	(2,708)	(366)	20,545		\$2.8992	\$0.9019	\$2.0354	\$5.8365	\$119,911
Medium General Service - Value 262										
Bills	858				858	\$ 75.00			\$ 75.00	\$64,350
First 500	173,549	(2,654)	(2,991)	167,904		\$3.0069	\$0.7891	\$2.0354	\$5.8314	\$979,117
Over 500	245,725	(3,758)	(4,234)	237,733		\$3.0069	\$0.7156	\$2.0354	\$5.7579	\$1,368,840
DTs - Winter	419,274	(6,412)	(7,225)	405,637						
First 500	226,095	(1,358)	(3,933)	220,804		\$2.8992	\$0.6124	\$2.0354	\$5.5470	\$1,224,800
Over 500	193,664	(1,164)	(3,369)	189,131		\$2.8992	\$0.5578	\$2.0354	\$5.4924	\$1,038,784
DTs - Summer	419,759	(2,522)	(7,302)	409,935						
Small General Service - Motor Fuel 242										
Bills	12				12					
DTs - Winter	9,329	0	0	9,329		\$2.4314	\$1.6488	\$2.0354	\$6.1156	\$57,052
DTs - Summer	16,529	0	0	16,529		\$2.4314	\$2.2259	\$2.0354	\$6.6927	\$110,624
Winter Rate per GGE*									\$0.77057	
Summer Rate per GGE*									\$0.84328	
Experimental Motor Vehicle Fuel Service										
Facilities Charge	reflected in customer's qualifying rate schedule									
Winter (Nov.-Mar.)	reflected in customer's qualifying rate schedule									
Summer (Apr.-Oct.)	reflected in customer's qualifying rate schedule									
TOTAL COMMERCIAL										
Bills	169,650				169,650					
DTs	5,907,206	(195,456)	(99,503)	5,612,247						\$39,640,911

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2015

PROPOSED REVENUE CALCULATIONS

(dekatherms)	Test Period Actual (1)	Normalized Adjustment (2)	Conservation Adjustment (3)	Proforma Dekatherms (4)	Proforma Bills (5)	Proposed Margin Rate (6)	Proposed Demand Rate (7)	Proposed Commodity Rate (8)	Total Proposed Rates (9)	Total Proforma Revenue (10)
Rate Schedule	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Large General Service - Sales 203										
Bills	173				173	\$ 250.00			\$ 250.00	\$43,250
Demand DTs	24,430	0	0		24,430	\$5.0000	\$5.3565	\$0.0000	\$10.3565	\$253,009
First 1,500	94,091	0	0	94,091		\$1.8569	\$0.8806	\$2.0354	\$4.7729	\$449,087
Next 1,500	65,667	0	0	65,667		\$1.2998	\$0.7108	\$2.0354	\$4.0460	\$265,689
Next 7,500	22,744	0	0	22,744		\$0.9285	\$0.7540	\$2.0354	\$3.7179	\$84,560
Next 16,500	0	0	0	0		\$0.5571	\$0.2818	\$2.0354	\$2.8743	\$0
Next 33,000	0	0	0	0		\$0.1857	\$0.1000	\$2.0354	\$2.3211	\$0
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$2.0354	\$2.0354	\$0
DTs - Winter	182,502	0	0	182,502						
First 1,500	133,658	0	0	133,658		\$1.1141	\$0.6622	\$2.0354	\$3.8117	\$509,464
Next 1,500	62,544	0	0	62,544		\$0.7428	\$0.5368	\$2.0354	\$3.3150	\$207,333
Next 7,500	21,051	0	0	21,051		\$0.5571	\$0.7727	\$2.0354	\$3.3652	\$70,841
Next 16,500	0	0	0	0		\$0.3714	\$0.2818	\$2.0354	\$2.6886	\$0
Next 33,000	0	0	0	0		\$0.1857	\$0.0500	\$2.0354	\$2.2711	\$0
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$2.0354	\$2.0354	\$0
DTs - Summer	217,253	0	0	217,253						
Large General Service - Transportation 213										
Bills	510				510	\$ 250.00			\$ 250.00	\$127,500
Demand DTs	120,112				120,112	\$5.0000	\$0.6806	\$0.0000	\$5.6806	\$682,308
Standby DTs					0	\$0.0000	\$4.6759	\$0.0000	\$4.6759	\$0
First 1,500	296,062	0	0	296,062		\$1.8569	\$0.5522	\$0.0354	\$2.4445	\$723,724
Next 1,500	231,968	0	0	231,968		\$1.2998	\$0.4423	\$0.0354	\$1.7775	\$412,323
Next 7,500	276,919	0	0	276,919		\$0.9285	\$0.3490	\$0.0354	\$1.3129	\$363,567
Next 16,500	96,557	0	0	96,557		\$0.5571	(\$0.3556)	\$0.0354	\$0.2369	\$22,874
Next 33,000	35,831	0	0	35,831		\$0.1857	\$0.1160	\$0.0354	\$0.3371	\$12,079
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$0.0354	\$0.0354	\$0
DTs - Winter	937,337	0	0	937,337						
First 1,500	398,758	0	0	398,758		\$1.1141	\$0.5890	\$0.0354	\$1.7385	\$693,241
Next 1,500	228,723	0	0	228,723		\$0.7428	\$0.4711	\$0.0354	\$1.2493	\$285,744
Next 7,500	230,940	0	0	230,940		\$0.5571	\$0.3819	\$0.0354	\$0.9744	\$225,028
Next 16,500	227	0	0	227		\$0.3714	\$0.3115	\$0.0354	\$0.7183	\$163
Next 33,000	0	0	0	0		\$0.1857	\$0.0500	\$0.0354	\$0.2711	\$0
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$0.0354	\$0.0354	\$0
DTs - Summer	858,648	0	0	858,648						
Interruptible Service - Sales 204										
Bills	159				159	\$ 250.00			\$ 250.00	\$39,750
First 1,500	90,097	0	0	90,097		\$1.8569	\$1.6308	\$2.0354	\$5.5231	\$497,615
Next 1,500	58,378	0	0	58,378		\$1.2998	\$1.4388	\$2.0354	\$4.7740	\$278,697
Next 7,500	96,396	0	0	96,396		\$0.9285	\$1.3356	\$2.0354	\$4.2995	\$414,455
Next 16,500	79,307	0	0	79,307		\$0.5571	\$1.8298	\$2.0354	\$4.4223	\$350,719
Next 33,000	14,481	0	0	14,481		\$0.1857	\$0.6379	\$2.0354	\$2.8590	\$41,401
Over 60,000	0	0	0	0		\$0.0000	\$0.4000	\$2.0354	\$2.4354	\$0
DTs - Winter	338,659	0	0	338,659						
First 1,500	111,462	0	0	111,462		\$1.1141	\$0.7956	\$2.0354	\$3.9451	\$439,729
Next 1,500	73,548	0	0	73,548		\$0.7428	\$0.7125	\$2.0354	\$3.4907	\$256,734
Next 7,500	115,214	0	0	115,214		\$0.5571	\$0.6432	\$2.0354	\$3.2357	\$372,798
Next 16,500	65,674	0	0	65,674		\$0.3714	\$0.6455	\$2.0354	\$3.0523	\$200,457
Next 33,000	0	0	0	0		\$0.1857	\$0.4133	\$2.0354	\$2.6344	\$0
Over 60,000	0	0	0	0		\$0.0000	\$0.1000	\$2.0354	\$2.1354	\$0
DTs - Summer	365,898	0	0	365,898						

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PROPOSED REVENUE CALCULATIONS

(dekatherms)	Test Period Actual	Normalized Adjustment	Conservation Adjustment	Proforma Dekatherms	Proforma Bills	Proposed Margin Rate	Proposed Demand Rate	Proposed Commodity Rate	Total Proposed Rates	Total Proforma Revenue
Rate Schedule	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Interruptible Service - Transportation 214										
Bills	554				554	\$ 250.00			\$ 250.00	\$138,500
First 1,500	335,789	0	0	335,789		\$1.8569	\$0.5466	\$0.0354	\$2.4389	\$818,956
Next 1,500	317,473	0	0	317,473		\$1.2998	\$0.4323	\$0.0354	\$1.7675	\$561,134
Next 7,500	823,676	0	0	823,676		\$0.9285	\$0.3186	\$0.0354	\$1.2825	\$1,056,364
Next 16,500	401,064	0	0	401,064		\$0.5571	\$0.2088	\$0.0354	\$0.8013	\$321,373
Next 33,000	48,467	0	0	48,467		\$0.1857	\$0.1104	\$0.0354	\$0.3315	\$16,067
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$0.0354	\$0.0354	\$0
DTs - Winter	1,926,469	0	0	1,926,469						
First 1,500	486,207	0	0	486,207		\$1.1141	\$0.5871	\$0.0354	\$1.7366	\$844,347
Next 1,500	408,275	0	0	408,275		\$0.7428	\$0.4636	\$0.0354	\$1.2418	\$506,996
Next 7,500	950,598	0	0	950,598		\$0.5571	\$0.3427	\$0.0354	\$0.9352	\$888,999
Next 16,500	490,938	0	0	490,938		\$0.3714	\$0.3041	\$0.0354	\$0.7109	\$349,008
Next 33,000	3,168	0	0	3,168		\$0.1857	\$0.3280	\$0.0354	\$0.5491	\$1,740
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$0.0354	\$0.0354	\$0
DTs - Summer	2,339,186	0	0	2,339,186						
TOTAL INDUSTRIAL										
Bills	1,396				1,396					
Demand	144,542				144,542					
DTs	7,165,952	0	0	7,165,952						\$13,827,623
Outdoor Gaslight Service - Rate 205										
Fixtures	27	0	0	27		\$ 15.00			\$ 15.00	\$405
DTs - Winter	16	0	0	16						
DTs - Summer	22	0	0	22						
Annual Revenues From Special Contracts									\$	2,133,666
TOTAL ALL RATE SCHEDULES										
TOTAL BILLS	1,646,794				1,646,794					
TOTAL WINTER DTs	13,286,004	(307,952)	(167,715)	12,810,337						
TOTAL SUMMER DTs	7,689,429	(311,257)	(62,661)	7,315,511						
ANNUAL TOTAL DTs	20,975,433	(619,209)	(230,377)	20,125,847					REVENUE	\$ 121,086,192
TOTAL SALES DTs	14,913,793	(619,209)	(230,377)	14,064,207						
TRANSPORTATION DTs	6,061,640	0	0	6,061,640						
ANNUAL TOTAL DTs	20,975,433	(619,209)	(230,377)	20,125,847						

* The rates convert 1.26 therms to 1 GGE.

EXHIBIT B

WNA Factors

	Base Rate (\$/therms)	Demand (\$/therms)	Commodity (\$/therms)	"R" Value (\$/therms)	Heat Factor (therms/DDD)	Base Factor (therms/mo.)
Residential						
Value Rate - 201	0.69624	0.12534	0.20354	0.36736	0.17797	16.67823
Standard Rate - 221	0.74050	0.16960	0.20354	0.36736	0.15363	3.51393
Commercial						
Rate 202 - Std	0.67079	0.16656	0.20354	0.30069	0.65551	0.79852
Rate 232 - Val						
First 2,000 therms	0.65541	0.15118	0.20354	0.30069	0.53888	372.13461
Over 2,000 therms	0.64941	0.14518	0.20354	0.30069	0.53888	372.13461
Rate 252 - Std	0.60064	0.09641	0.20354	0.30069	28.26888	985.09041
Rate 262 - Val						
first 5,000 therms	0.58314	0.07891	0.20354	0.30069	6.22741	8051.53220
over 5,000 therms	0.57579	0.07156	0.20354	0.30069	6.22741	8051.53220

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached *Comments of Piedmont Natural Gas Company, Inc.* is being served this date via email and UPS Overnight upon:

Shannon Hudson
Leigh Ford
Office of Regulatory Staff
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And that a copy of the attached *Comments of Piedmont Natural Gas Company, Inc.* is being served this date via email or U.S. Mail upon:

Bruce Barkley
Vice President
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and

Pia Powers
Director - Regulatory Affairs
Piedmont Natural Gas Company, Inc.
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pia.powers@piedmontng.com

This the 15th day of September, 2015.

/s/ Richard K. Goley
Richard K. Goley